

## **October 15, 2009 – Update.**

The Board will meet November 4 in its regular quarterly meeting to review the annual actuarial valuation and discuss performance. The final performance numbers for September will not be available until that meeting. However, preliminary numbers show an invested fund balance of approximately \$520 million as compared to the 6-30-09 value of \$476 million.

The Fund had an invested fund value of approximately \$704 million May of 2008 and \$606 million in September of 2008. The current value is still far below its value when the markets started to decline. The only solution to the long term funding problem is additional money coming into the fund. Current benefits are being paid at a cost greater than incoming cash and the Fund continues to liquidate investments to meet this need. This shortfall means that the funds cannot continue to regain or retain their value. There is always the inherent uncertainty of the investment markets going forward.

PACT is operating as normal and paying school invoices as they are received.

The Board continues to explore possible solutions to provide full benefits for all beneficiaries in the program . The Board also continues to address the immediate and long term legal issues and expenses related to pending lawsuits in various stages of litigation in the trial and appeals courts. It is anticipated that the November meeting will include an executive (non public) session with the Board attorney and the Montgomery law firm of Capell & Howard, P.C. to discuss legal issues.